GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1773
ANSWERED ON:10.12.2004
DECLINE OF PROFIT OF COMMERCIAL BANKS
Mehta Shri Bhubneshwar Prasad

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that after a gap of 04 quarters, 36 listed commercial banks recorded a 6.58 per cent decline in net profits in the second quarter of 2004-05; and

(b) if so, the details and reasons therefor?

Answer

minister of state in the ministry of finance (shri s.s. palanimanickam)

(a) & (b) : Yes, Sir. There has been a decline in net profit in last 6 quarters in respect of 38 listed commercial banks. The details are given below:

FY	Period	PAT during the quarter	Net increase/decrease from previous quarter	%increase /decrease from previous quarter
03-04	Jun-03	3953.90	412.17	11.64
	Sep-03	4495,91	542.01	13.71
	Dec-03	4269.34	-226.57	-5.04
	Mar-04	4855.84	586.50	13.74
04-05	Jun-04	4675.07	-180.77	-3.72
	Sep-04	4075.59	-599.48	-12.82

The decline in profits is due to various reasons like decline in net-interest income or non-interest income, increase in operating expenses or higher provisioning and write offs, fall in income from securities trading and higher tax provisioning.